

Deployed Soldiers Guide to Financial Entitlements



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Deployed Soldiers Guide to Financial Entitlements

For the CG, USAREUR/7A:

E. PEARSON
Colonel, GS
Deputy Chief of Staff

Official:



GARY C. MILLER
Regional Chief Information
Officer – Europe

This pamphlet is available at <https://www.aeaim.hqusareur.army.mil/library/>.

Summary. This pamphlet provides information on financial entitlements for deployed Soldiers.

Applicability. This pamphlet applies to Soldiers deployed to support Operation Iraqi Freedom or Operation Enduring Freedom.

Forms. AE and higher-level forms are available through the Army in Europe Publishing System (AEPUBS) at <https://aepubs.army.mil/ae/publi/main.asp>.

Records Management. Records created as a result of processes prescribed by this pamphlet must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information Management System website at <https://www.arims.army.mil>.

Suggested Improvements. The proponent of this pamphlet is the USAREUR Staff Finance and Accounting Officer (AEAFC, DSN 379-5160). Users may suggest improvements to this pamphlet by sending DA Form 2028 to the 266th Finance Command (AEUFC-F), Unit 29001, APO AE 09007-9001.

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INTRODUCTION

This pamphlet provides information about pay entitlements and allowances for Soldiers deployed to Operation Iraqi Freedom or Operation Enduring Freedom. It provides a brief explanation of—

- Each entitlement and allowance.
- Who is eligible to receive the entitlement or allowance.
- Entitlement and allowance amounts.

This pamphlet does not attempt to answer every question for every situation. Soldiers should contact their personnel administration center (PAC) or servicing finance unit for answers to specific questions about entitlements or allowances.

Not every deployed Soldier will be authorized every entitlement or allowance in this pamphlet. Soldiers must meet the criteria prescribed by applicable regulations and laws to qualify for an entitlement or allowance. Soldiers must be able to substantiate that they are eligible for an entitlement or allowance by providing applicable documentation before they may receive the entitlement or allowance.

The entitlements and allowances in this pamphlet are subject to change. The amounts listed below are current as of the date of this pamphlet. The PAC or servicing finance unit can provide details and assistance in processing actions.

ENTITLEMENTS

AFGHANISTAN: HDP of \$100, HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA	QATAR: HDP of \$50 (only for Al Udeid, Camp Snoopy, and Camp As Syliyah), HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA
IRAQ: HDP of \$100, HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA	SAUDI ARABIA: HDP of \$100 (only for Ar'ar Airport and Tabuk Airbase), HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA
JORDAN: HDP of \$100 (King Faisal Airbase, Prince Hasan, Shaheed), HDP of \$50 (all others), HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA	SYRIA: HDP of \$100, HFP, CZTE, FSA-II, BAS, per diem, SLA
KUWAIT: HDP of \$100, HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA	TURKEY: HDP of \$100 (Afyon, Batman, Corlu, Diyarbakir, Gaziantep, Gokeen, Iskendrun, Konya, Mardin, Mersin, Nusaybin, Oguzeli, Pircinlik, Sabiha Sanluiurfa, and Tasucu), HDP of \$50 (Eskisehir), HFP (excluding Turkish Straits), SDP, CZTE, FSA-II, BAS, per diem, SLA
PAKISTAN: HDP of \$100, HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA	UZBEKISTAN: HDP of \$100, HFP, SDP, CZTE, FSA-II, BAS, per diem, SLA
NOTE: The information in this table is valid as of 1 July 2005. The glossary explains abbreviations used in this table.	

TEMPORARY DUTY (TDY) PER DIEM

Per diem is a travel allowance provided as a daily payment in lieu of reimbursement of actual expenses during Government-directed travel. Soldiers deployed under temporary change of station (TCS) orders, temporary additional duty (TAD) orders, or group travel orders (unit movement orders) are entitled to per diem.

The amount of per diem is based on the availability of lodging, meals, and the incidental-expense rate specified by the Per Diem, Travel, and Transportation Allowance Committee for the location. The current incidental-expense rate for all overseas locations is \$3.50 per day. Lodging and meal rates vary by location.

In general, deployed Soldiers receive only the incidental portion of per diem, because military lodging and meals are available throughout the theater.

Soldiers do not receive per diem—

- During rest and recuperation leaves.
- When in a bad-conduct status (for example, absent without leave).
- While in an in-patient status in a medical treatment facility (MTF).
- While a passenger on a Government vessel.

FAMILY SEPARATION ALLOWANCE (FSA-II)

FSA-II is intended to offset added expenses incurred by a Soldier because of an enforced separation from dependent family members. FSA-II is \$250 per month (\$8.33 per day); it will show up on the leave and earnings statement (LES) as "FSA." This entitlement begins the day of departure from the home station and ends the day before the Soldier returns to the home station.

FSA-II is payable to any Soldier with family members (dependents) who is TDY for more than 30 days when the family members are not residing at or near the TDY station. This entitlement stops if the Soldier returns to the home station for more than 30 days during the TDY period. FSA-II is generally payable to a dual military couple with no family members if the couple resided together before being separated, and the couple is deployed to different locations. Only one member is entitled to FSA-II even if both are deployed.

Soldiers must complete a DD Form 1561 (Statement to Substantiate Payment of Family Separation Allowance) before this entitlement may start. Agents may not sign DD Form 1561 on behalf of a Soldier.

BASIC ALLOWANCE FOR SUBSISTENCE (BAS)

BAS is an allowance to reimburse Soldiers for food (subsistence) expenses.

During a contingency deployment, BAS is normally payable to all Soldiers. The standard rate for officers is \$183.99 per month; for enlisted, it is \$267.18. This entitlement begins the day of departure and ends the day of return to the home station. Soldiers who are meal-card holders will have their meal deductions stopped.

BAS is not collected for meals consumed while deployed. Instead, the Soldier forfeits the meal portion of per diem when subsisted at no charge. The TCS or TAD orders should specify when Soldiers are charged for subsistence. During these periods, the applicable per diem rate will apply.

BASIC ALLOWANCE FOR HOUSING/OVERSEAS HOUSING ALLOWANCE (BAH/OHA)

BAH/OHA is an allowance to help reimburse Soldiers for expenses incurred when quarters are not provided by the Government.

During a contingency deployment, BAH/OHA entitlement normally does not change. Active component Soldiers who were entitled to BAH/OHA before deployment will continue to receive BAH/OHA unless circumstances change (for example,

a designated authority revokes the Soldier's authorization to reside off post). Likewise, Soldiers who were not receiving BAH/OHA will not begin receiving BAH/OHA unless circumstances change (for example, the Soldier's spouse uses a power of attorney to terminate Government quarters). Reserve Component Soldiers must establish their entitlement to BAH/OHA when they are mobilized.

For active component Soldiers, BAH/OHA rates vary by grade, family member status, and assigned permanent duty station (PDS). During deployment, the BAH/OHA rate continues based on the assigned PDS. This rate does not change even if family members choose to relocate to another area for the duration of the deployment unless orders are issued to assign the family members to another location. In these cases, the BAH/OHA rate will be based on the designated location.

Reserve Component Soldiers' BAH/OHA rates vary by grade, family member status, and home-of-residence zip code or location code. During deployment, these Soldiers are entitled to BAH/OHA if maintaining a residence. Soldiers who do not have family members are entitled to "BAH-partial" if not maintaining a residence unless they use the entitlement for special storage of household goods. Reserve Component Soldiers using special storage of household goods and not maintaining a residence are not entitled to BAH.

Soldiers paying child support who have no other family members are entitled to "BAH-DIFF." If a Soldier paying child support who has no other family members

also maintains a residence, that Soldier is entitled to BAH-DIFF and BAH/OHA at the without-dependents rate. Use of special storage of household goods does not affect the entitlement to BAH-DIFF.

COST OF LIVING ALLOWANCE (COLA)

COLA is an allowance to enable an equitable standard of living in areas where the cost of living is unusually high.

Soldiers permanently assigned to designated areas receive this allowance. During contingency deployments, COLA entitlement normally does not change. Soldiers who were entitled to COLA before deployment generally will continue to receive COLA. Soldiers deploying from an area not qualifying for COLA are not entitled to COLA while deployed, even if the deployed location is a designated COLA area.

COLA rates vary by grade, family member status, number of family members, and assigned PDS. During deployment, the COLA rate remains that of the assigned PDS. Except for periodic adjustments, the basic determination does not change as long as command-sponsored family members remain in the designated area. If family members return to CONUS or leave the PDS area for more than 30 consecutive days, COLA will be changed to the number of family members remaining at the PDS. If all family members leave the PDS for more than 30 consecutive days, COLA will be changed to the without-dependent rate.

HARDSHIP DUTY PAY-LOCATION (HDP-L)

HDP-L is a special pay to compensate Soldiers serving in locations where living conditions create undue hardship on them. It is paid to Soldiers who perform official duties for more than 30 days in a designated hardship duty location.

HDP-L rates vary by location. Specified amounts are monthly amounts paid on a daily basis (for example, a \$50 HDP-L rate equates to \$1.66 per day; a \$100 HDP-L rate equates to \$3.33 per day; a \$150 HDP-L rate equates to \$5 per day). This entitlement begins the day of arrival in the designated location and ends the day of departure. Specified amounts are the maximum receivable for a given month.

HOSTILE FIRE PAY/IMMINENT DANGER PAY (HFP/IDP)

HFP/IDP is a special pay to compensate Soldiers serving in locations where they are subjected to imminent danger or hostile fire. It is paid to Soldiers who perform official duties in a designated HFP/IDP area.

The normal specified rate for HFP/IDP is \$225 per month. One day spent in a designated HFP/IDP area qualifies the member for the entire monthly amount.

COMBAT ZONE TAX EXCLUSION (CZTE)

CZTE exempts Soldiers who serve in designated HFP areas from Federal income tax withholdings. Some U.S. States also exempt income tax.

Soldiers serving in a designated combat zone or in a designated HFP zone who are performing direct support to operations are entitled to CZTE. For enlisted Soldiers, all eligible pay is exempt. For officers, only pay up to the base pay of the Sergeant Major of the Army plus HFP is eligible for CZTE. (The current ceiling is \$6,529.20.) Income earned above this amount is fully taxable.

Leave earned while in a CZTE area may be excluded from income taxes. For tax purposes, leave earned in the CZTE area is the first leave used after leaving the CZTE area. Officer CZTE leave rules are different; they are explained in detail at https://www.266fc.hqusareur.army.mil/FAPD/FapdInfo/CZTE-L_Info_Paper.pdf. Reenlistment bonuses contracted in the CZTE area are excluded from Federal income tax. Installments from previous reenlistment contracts are not exempted. Social Security and Medicare deductions will continue to be deducted from pay.

The following military pay items can be excluded from income taxes:

- Active duty pay earned in any month served in a combat zone.
- Student loan repayments that are attributable to periods of service in the combat zone if a full year of combat zone service is performed to earn the repayment.
- Reenlistment bonuses if the voluntary extension or reenlistment occurs while serving in a combat zone.
- Pay for accrued leave earned in any month served in a combat zone. (Officer rules are explained in the link above.)
- Pay received for duty as a member of the armed forces in clubs, messes, post and station theaters, and other nonappropriated fund activities. The pay must be earned during a month the Soldier served in a combat zone.
- Awards for suggestions, inventions, or scientific achievements to which Soldiers are entitled because of a submission they made while serving in a combat zone.

A complete list is in IRS Publication 3, The Armed Forces' Tax Guide. This publication may be obtained from <http://www.irs.gov> or by writing to the IRS.

SAVINGS DEPOSIT PROGRAM (SDP)

SDP allows Soldiers to deposit an amount up to their current unallotted pay into a Government savings program that earns 10 percent annual interest, compounded quarterly. The program pays interest on amounts up to \$10,000.

Soldiers performing official duties in designated areas may participate in the program. To be eligible, the Soldier must meet the criteria designated for the area and the applicable contingency operation. Generally, Soldiers on orders for duty of more than 30 days can make their first deposit after arrival in the theater for up to the amount of that month's pay. DOD requirements for various contingency operations are explained at http://www.defenselink.mil/comptroller/fmr/07a/07a_51.pdf. The 266th Finance Command has compiled a list of frequently asked questions and their answers at <https://www.266fc.hqusareur.army.mil/FAPD/FapdInfo/SDP.pdf>.

Active component Soldiers may contribute by allotment (this is the preferred method) or cash deposits (cash or negotiable instrument). Reserve Component Soldiers may only contribute through cash or personal checks. Monthly deposits are limited to an amount up to the net unallotted current pay and allowances. Agents with a power of attorney authorizing them to start, stop, or change allotments may start an SDP allotment on behalf of the deployed Soldier once

deployment entitlements begin showing in the Soldier's pay account. Agents with a power of attorney authorizing them to make investments on the Soldier's behalf may deposit cash, money orders, travelers checks, or cashiers checks. Agents may not make withdrawals from an SDP account.

THRIFT SAVINGS PLAN (TSP)

TSP is a Federal Government-sponsored retirement savings and investment plan that allows tax-deferred investing. Currently, Soldiers may contribute up to 10 percent of their base pay and up to 100 percent of incentive and special pays (including bonus pay). In 2006 these TSP limits will be eliminated; however, there is a \$15,000 annual IRS limit. Soldiers may contribute 1 to 100 percent of any incentive pay, special pay, or bonus pay if they elect to contribute base pay. TSP savings based on earnings while entitled to CZTE will be nontaxable when withdrawn at retirement. Interest income earned on all savings is taxable.

To start, change, or stop TSP contributions, follow the instructions on the myPay website (<https://mypay.dfas.mil/mypay.aspx>) or submit TSP-U-1 (Election Form) to the local finance office. The TSP website (<http://www.tsp.gov>) has information on the TSP loan program and in-service withdrawals.

SPECIAL LEAVE ACCRUAL (SLA)

SLA is the authority to exceed a 60-day leave balance at the end of the fiscal year. It is not an additional form of leave. SLA is intended to provide relief to Soldiers not allowed leave during lengthy deployments or periods of hostility. AR 600-8-10, chapter 3, prescribes SLA policy.

SLA is authorized for Soldiers—

- Serving in an area where they were entitled to HFP for at least 120 continuous days. SLA approval for these Soldiers is automatic.
- Who were assigned to a designated deployable ship, mobile unit, or other similar prescribed duty and were prevented from using leave because of the assignment and designation.

SLA is also authorized for Soldiers who deployed for at least 60 days and less than 120 days to meet a contingency operation of the U.S. or to enforce national policy or an international agreement based on a national security threat, and were prevented from using leave through the fiscal year because of deployment or mission requirements.

Soldiers who earned SLA while in an HFP area have three fiscal years to take the leave. SLA is debited from the leave account using the “last in, first out” method. For tax implications, go to the CZTE link on page 12.

DEPLOYMENT ENTITLEMENT EXAMPLES

This section provides information and examples that may be used to calculate the effects a deployment may have on a Soldier's pay. The examples are only estimates; actual amounts will vary. All examples given are based on being deployed to a CZTE area. Soldiers should refer to specific paragraphs in this pamphlet to determine if an entitlement applies to them.

Add the following amounts for each entitlement to estimate total deployed pay:

- Base pay and special pays: No change because of deployment.
- BAS: For meal-card holders, \$8.90 per day; no change for Soldiers who are not meal-card holders.
- BAH: No change.
- HFP: \$225 per month for any period of time during the month.
- HDP: Rate varies by location; \$1.33 per day for locations authorized \$50; \$3.33 per day for locations authorized \$100.
- FSA-II: \$250 per month or \$8.33 per day starting 30 days after separation from family members.
- Per diem: \$3.50 per day.
- CZTE: The amount equal to Federal taxes on the LES. The amount for officers will not exceed Sergeant Major of the Army pay plus HFP (do not include Medicare and social security taxes in this amount).

Entitlement	Single with no family members		Married with two family members	
	SGT	CPT	SGT	CPT
CZTE (note 1)	\$236.00	\$736.00	\$197.00	\$671.00
Per diem (note 2)	\$105.00	\$105.00	\$105.00	\$105.00
BAS (additional) (note 3)	\$267.18	\$ 0.00	\$ 0.00	\$ 0.00
HFP (note 4)	\$225.00	\$225.00	\$225.00	\$225.00
FSA-II (note 5)	\$ 0.00	\$ 0.00	\$250.00	\$250.00
HDP-L	note 6	note 6	note 6	note 6
Total Per Month	\$833.18	\$1,066.00	\$777.00	\$1251.00
NOTES: 1. Soldiers in areas designated as combat zones are exempt from paying Federal income tax. Officers are limited to \$6,529.20 (SMA's pay of \$6,304.20 + \$225 for HFP) for tax exclusion. The amounts above are only estimates. 2. All per diem is paid with the travel settlement. 3. Soldiers who are staff sergeants and above receive BAS automatically. 4. Soldiers in HFP areas are entitled to \$225 per month. 5. Payable only to Soldiers with family members. 6. Rates are based on the location and designation of the area.				

OTHER INFORMATION SOURCES

266th Finance Command. Soldiers should contact their supporting unit PAC, local finance unit, or call the 266th Finance Command at DSN 379-5160/6122/7575 for more information about pay, allowances, and entitlements.

Reserve Component Pay Support Help Desk. The United States Army Reserve Command established the “Mobilization Inquiry Team” to help resolve Reserve Component Soldier pay inquiries and problems. The team may be reached at DSN 280-6466/5699/5618/5615, civilian (608) 388-6466/5699/5618, or by e-mail: usarcpayinquiry@emh2.mccoy.army.mil.

United States Army National Guard Pay Ombudsman. The United States Army National Guard established a National Guard pay ombudsman to assist with National Guard pay issues related to mobilization. The ombudsman may be reached by toll-free civilian telephone at (877) ARNGPAY or by e-mail: arng-milpay@arng-fsg.ngb.army.mil.

GLOSSARY

BAH/OHA	basic allowance for housing/overseas housing allowance
BAS	basic allowance for subsistence
COLA	cost of living allowance
CONUS	continental United States
CZTE	combat zone tax exclusion
DOD	Department of Defense
FSA-II	family separation allowance
HDP	hardship duty pay
HDP-L	hardship duty pay-location
HFP	hostile fire pay
HFP/IDP	hostile fire pay/imminent danger pay
IRS	Internal Revenue Service
LES	leave and earnings statement
MTF	medical treatment facility
PAC	personnel administration center
PDS	permanent duty station
SDP	Savings Deposit Program
SLA	special leave accrual
SMA	Sergeant Major of the Army
TAD	temporary additional duty
TCS	temporary change of station
TDY	temporary duty
TSP	Thrift Savings Plan